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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 31, 2000

APPLICATION OF

WASHINGTON GAS ENERGY SERVICES, INC. CASE NO. PUE000354

For a license to conduct  
business as a competitive  
service provider in electric  
and natural gas retail access  
pilot programs

ORDER GRANTING LICENSE TO PROVIDE  
ELECTRIC AND NATURAL GAS SERVICE

On July 6, 2000, Washington Gas Energy Services, Inc. ("WGES" or "Company") filed an application for licensure to conduct business as a competitive service provider. The application was completed with an amendment to the application filed July 25, 2000. WGES states that it presently intends to provide natural gas in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("Columbia Gas"), and electricity to customers in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Appalachian Power Company d/b/a American Electric Power ("AEP-VA"). WGES is an affiliate of WGL.

On August 2, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice

of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of WGES's application and present its findings in a Staff Report to be filed on or before August 23, 2000.

WGES filed proof of publication of its notice on August 22, 2000. No comments from the public on WGES's application were received.

The Staff filed its Report on August 23, 2000, concerning WGES's fitness to provide competitive electric service. The Staff concluded that WGES satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to WGES for the provision of electric service to residential, commercial, and industrial customers in the Virginia Power and AEP-VA pilot programs;<sup>1</sup> and for the provision of natural gas service to residential, commercial, and industrial customers in the WGL and Columbia Gas pilot programs.

On August 24, 2000, WGES filed a response to the Staff Report supporting the Staff Report and its attendant recommendations.

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<sup>1</sup> In a letter filed August 30, 2000, counsel for the Commission Staff explained that the Staff Report also inadvertently included a recommendation for licensure to participate in the pilot program of Rappahannock Electric Cooperative. WGES's application did not indicate an intent to participate in that pilot program.

NOW UPON CONSIDERATION of the application, the Staff Report, WGES's response, and the applicable law, the Commission finds that WGES's application to provide electric and natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Washington Gas Energy Services, Inc., hereby is granted license No. PE-4 to provide competitive electricity supply service to residential, commercial, and industrial customers in conjunction with the retail access pilot programs of Virginia Power and AEP-VA. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(2) Washington Gas Energy Services, Inc., hereby is granted license No. PG-2 to provide competitive natural gas supply service to residential, commercial, and industrial customers in conjunction with retail access pilot programs of WGL and Columbia Gas. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of WGES to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.